

Exhibit 2
Affidavit of Expert Opinion of Bert P. Cummins

AFFIDAVIT OF EXPERT OPINION

STATE OF South Carolina)
COUNTY OF Berkeley) SS:
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The undersigned, Bert P. Cummins ("Affiant"), being first duly sworn and cautioned states as follows:

EXPERIENCE, QUALIFICATIONS, AND EXPERTISE OF AFFIANT

1. I, Bert P. Cummins, am a subject matter expert on skilled nursing facility costs in Ohio. I am a Certified Public Accountant with over 40 years of audit experience with national, local and regional firms.
2. I have maintained regular continued education in costs associated with skilled nursing facilities.
3. Since 1979, my practice has been limited to providing professional services to long-term care facilities in the State of Ohio. I have prepared or reviewed thousands of Ohio Medicaid and Medicare Cost Reports for such facilities. I have served as a member of two committees appointed by the Governor of the State of Ohio, the purposes of which were to 1) recommend a new Medicaid reimbursement system to the state which was subsequently adopted and 2) to review for modifications a system later in place which was adopted. I have served as the "Retained CPA" for The Ohio Academy of Nursing Homes, Inc., a trade association representing hundreds of long-term care facilities in the State of Ohio. I am a recognized expert in Ohio Medicaid reimbursement. I have testified as an expert witness in proceedings, provided both testimony and written expert reports relating thereto, provided affidavits and have undergone depositions relative to my expert opinion. I can and will testify in the instant case regarding my findings should that be requested or required.

DOCUMENTS RECEIVED, LOCATED, REVIEWED AND EXAMINED

4. In conducting my investigation and analysis:
 - a) I reviewed and analyzed a copy of the *Continuing Care Network Skilled Nursing Facility Provider Agreement (Clinical Integration)* ("Provider Agreement"), which is attached to this Affidavit as Exhibit A.
 - b) I reviewed and analyzed a copy of the *OhioHealth Skilled Nursing Facility (SNF) Continuing Care Network CCN) Handbook of Quality Requirements* ("Handbook"), which is attached to this Affidavit as Exhibit B.

- c) Pursuant to a Non-Disclosure and Confidentiality Agreement, I interviewed the Administrator of a 100 licensed bed skilled nursing facility ("SNF"), located in Franklin County, Ohio who has executed such Provider Agreement and is subject to it and the above captioned Handbook (hereinafter referred to as the "Interviewed SNF").

LEGAL ASSUMPTIONS AND FRAMEWORK FOR ANALYSIS

- 5. It is my understanding that OhioHealth Corporation ("OhioHealth"), a hospital group with its corporate headquarters located in Franklin County, Ohio, has formed a Skilled Nursing Facility Continuing Care Network (the "OhioHealth SNF Network") comprised of sixteen (16) skilled nursing facilities (individually a "Network SNF" and collectively the "Network SNFs") to which OhioHealth will refer the patients OhioHealth discharges from its hospitals who require skilled nursing care.
- 6. I have obtained average hourly wage rates for staff of the Interviewed SNF. I have assumed that in addition to the average hourly wage rates, payroll taxes and fringe benefits totaling 17% of the average hourly rates are added, and are referred to as "all-in rates" hereinafter. All other costs are based on information obtained from the Interviewed SNF's Administrator.
- 7. The purpose of this Affidavit is to estimate the cost the Interviewed SNF and Network SNFs will necessarily incur to comply with OhioHealth's requirements and expectations. The outline of this Affidavit follows the Handbook. Additionally, I estimated the cost of not being selected to participate in the OhioHealth SNF Network.
- 8. The Handbook has two separate sections:
 - (1) Quality Requirements for OhioHealth Skilled Nursing Facility (SNF) Continuing Care Network (CCN) which are effective March 1, 2015 ("Quality Requirements"). Failure to comply with the Quality Requirements will result in termination from the OhioHealth SNF Network and are in addition to the requirements of the Provider Agreement.
 - (2) Expectations for OhioHealth Skilled Nursing Facility (SNF) Continuing Care Network (CCN) which are also effective March 1, 2015 ("Expectations") and are aspirational goals that SNFs are expected to use their reasonable best efforts to meet. Where a SNF is unable to meet one of the Expectations, the SNF will create a plan to enable it to meet those goals. Over time, OhioHealth intends to move the Expectations to requirements.
- 9. I have no direct or indirect interest in the outcome of the case for which I am offering observations, analysis, opinion, or testimony.

SUMMARY OF COSTS

10. The approximate costs incurred by the Interviewed SNF to satisfy the requirements and expectations of OhioHealth and maintain its position in the OhioHealth SNF Network are as follows:
 - a) One time set-up costs of approximately \$30,000 to \$50,000 for the installation of an EMR system and \$1,120 for the implementation of INTERACT 3.0 tools.
 - b) Annual recurring costs of approximately \$1,101,904 to \$1,313,239 per year.
 - c) Other costs depend on outside factors: (i) \$100 per visit from a Primary Care Provider and (ii) many other incalculable costs.
11. The approximate costs incurred by each Network SNF to satisfy the requirements and expectations of OhioHealth and maintain its position in the OhioHealth SNF Network are as follows:
 - a) If the Network SNF does not have a dedicated wing, the Network SNF may incur an initial cost in excess of \$10,000 for the construction of a new wing as a dedicated unit for patients who require short term skilled nursing services.
 - b) If the Network SNF does not have an EMR, the Network SNF will incur the one time set-up costs of approximately \$30,000 to \$50,000 for the installation of an EMR system and \$1,120 for the implementation of INTERACT 3.0 tools.
 - c) Annual recurring costs of approximately \$332,979 to \$1,313,239 per year.
 - d) Other costs depend on outside factors: (i) \$100 per visit from a Primary Care Provider and (ii) many other incalculable costs.
12. As further detailed below, the annual recurring costs for the Interviewed SNF and each Network SNF in order to comply with OhioHealth's requirements is broken down as follows:
 - a) Establishing and maintaining a minimum ratio of 1 RN to 15 skilled rehab patients. The cost to the Interviewed SNF is approximately \$652,445 annually. Depending on staffing levels, the cost to a Network SNF would be approximately between \$0 to \$652,445 annually;
 - b) Conducting annual competency evaluations – approximately \$2,708 annually;
 - c) Providing educational events on best nursing practices – approximately \$7,500 annually;

- d) Sending a representative to Member Committee meetings – approximately \$3,240 annually;
- e) Sending a representative to other committee meetings – approximately \$1,008 annually;
- f) Appointing a staff member to utilize OhioHealth's tracking program – approximately \$3,360 annually;
- g) Performing chart audits – approximately \$1,080 annually;
- h) Providing monthly educational sessions – approximately \$22,176 annually;
- i) Utilizing an RN for medication reconciliation – approximately \$2,240 annually;
- j) Reporting and follow-up for complaints and grievances – approximately \$576 annually;
- k) Admitting all patients who meet Medicare fee-for-service requirements for skilled care who select the Network SNF – approximately \$63,000 annually;
- l) Admitting all OhioHealth discharged patients 24 hours per day, 7 days per week within a 2 hour timeframe – approximately \$117,936 annually;
- m) Utilizing a physician to evaluate an OhioHealth patient within 48 hours of admission – approximately \$36,000 annually;
- n) Conducting patient Care Conferences with the appropriate staff – approximately \$1,710 annually;
- o) Providing necessary seven days per week therapies to skilled rehab patients, including twice a day therapies when necessary. The cost to the Interviewed SNF will be approximately \$116,480 annually. Depending on staffing levels, the cost to a Network SNF will be approximately between \$0 to \$116,480 annually;
- p) Accept a reasonable amount of Medicaid pending and charity patients – approximately between \$70,445 to \$281,780 annually.

13. The cost of not being selected to participate in the OhioHealth SNF Network is estimated to be \$1,752,384 in lost revenue and average lost margin of approximately \$373,065.

OPINIONS AND CONCLUSIONS REACHED

14. Based on my experience and expertise, I have reached the following conclusions regarding the costs a SNF would necessarily incur to accomplish the requirements.
15. Staffing.

- a) The Handbook requires each Network SNF to maintain a dedicated unit for patients who require short-term skilled nursing services before returning home (i.e. OhioHealth patient discharges). The Interviewed SNF is licensed for 100 beds and has chosen its dedicated unit to be an existing specific wing of 40 beds. This may not be possible for all facilities based on their design and configuration. Accordingly, some reconfiguration and/or construction would be necessary. Such construction could consist of framing a new wing along with the creation of a dedicated nurse's station and other associated costs. Depending on the design of the building cost of construction could very well exceed \$10,000. Additionally the larger the dedicated unit (distinct part) is, the higher the staffing ratios and associated cost will be as discussed hereinafter.
- b) The expectations section of the Handbook states that a SNF is expected to establish and maintain a minimum ratio of 1 RN to 15 skilled rehab patients. Thus, it can be assumed that this 1:15 ratio must be maintained in the dedicated unit. The Interviewed SNF currently maintains single RN coverage 24/7. Therefore, to maintain the required and expected ratio the facility needs 2.66 RN's 24/7. Using the all-in RN wage rate of \$28.00 the annual cost to comply with this requirement for the Interviewed SNF is \$652,445. Depending on staffing levels, it will cost a Network SNF between \$0 and \$652,445 to comply with this expectation.
- c) The Handbook requires the RN clinical leader to conduct annual competency evaluations of all nursing staff and provide educational events (bi-monthly minimum) on best nursing practices. The cost of the annual evaluations for each Network SNF for all staff, including the evaluator and attendees in the unit is estimated to be \$2,708 and the bi-monthly in-service sessions for all staff are estimated to cost \$7,500 annually.

16. Committee Commitments.

- a) The Handbook requires a Network SNF to do the following regarding committee commitments: (i) appoint Administrator and DON to sit on OhioHealth SNF CCN Member Committee. Monthly attendance is required. Three absences are permitted by the Administrator and DON each but representation for the facility is still required at every meeting and (ii) SNF

representation from each building is required on at least one of the current OhioHealth SNF Network committees not including the Member Committee.

- b) Using the Administrator and DON all-in hourly rates, the cost to comply for each Network SNF with the Member committee attendance is \$3,240 per year and the cost of the other committee attendance (assuming an RN in attendance) is estimated to be \$1,008 per year.

17. Data Tracking.

- a) The Handbook requires a Network SNF to do the following regarding data: (i) appoint SNF staff member to record data on OhioHealth patients in current tracking program (MIDAS) and (ii) dedicated metrics to be recorded in current tracking program on all OhioHealth patients no later than the third business day of the month for all patients discharged from the SNF for the previous month.
- b) Assuming that the Assistant DON (an RN) is used (as in the Interviewed SNF), the estimated cost is 10 hours per month using the all-in RN hourly rate, equaling an annual cost of approximately \$3,360 for each Network SNF.

18. Chart Audits

- a) The Handbook requires Network SNFs to do the following regarding chart audits:
 - i. Chart audits will be conducted monthly to verify the integrity of the data being recorded into OhioHealth tracking programs. If integrity of the data is found to be in question then written notice will be provided to the SNF. Continued integrity issues with data will be considered a violation of the provider agreement.
- b) I have determined based on discussions with the Interviewed SNF that these chart audits take one hour per month using Administrator and DON time. Using their average all-in rates (\$90/hour) the annual estimated cost is approximately \$1,080 for each Network SNF.

19. Jump Start Program.

- a) The Handbook requires Network SNFs to do the following regarding jump start program:
 - i. Complete OhioHealth JumpStart Program within the first three months of participation in the OhioHealth SNF Network. Two RN clinical leaders must attend. It is recommended that the Director of Nursing (DON) and RN Staff Development Coordinator participate. OhioHealth will incur the education cost of two staff members at the time of inclusion into the OhioHealth SNF Network. Ongoing, new hire RN clinical leaders are

required to attend within 90 days of hire date or when the next SNF JumpStart class is available. For all new hires, the Network SNF will incur the cost. The estimated cost of JumpStart will be \$675.00 per staff member.

- ii. After three months of participation in the OhioHealth SNF Network, the Network SNF must develop and maintain a monthly SNF JumpStart program that rolls out to all RNs and LPNs on the skilled unit. Facility will need to provide to OhioHealth monthly: the diagnosis addressed, the scenario and educational tools used, and the staff attendance sheet.
- b) During the first three months, all new hires cost of attending the program is \$675. I have assumed there will be 4 new hires which total \$2,700. After the three month period, the DON and a RN will administer and manage this program. The cost of this program is estimated to be the trainer(s) plus attendees' average all in hourly rates, assumed on a monthly basis for two hours and totals \$1,848 per month or \$22,176 per year for each Network SNF.

20. Medication Reconciliation.

- a) The Handbook requires Network SNFs to do the following regarding medication reconciliation:
 - i. Medication reconciliation is to be completed at the time of admission and discharge for all OhioHealth patients.
 - b) The cost to comply with this requirement is accomplished with a RN. Using the RN average all-in hourly rate, assuming 1 hour per month for each admission for each discharge, assuming 40 admissions and 40 discharges annually, the cost is estimated to be approximately \$2,240 for each Network SNF.

21. Complaint and Grievance Reporting.

- a) The Handbook requires Network SNFs to do the following regarding complaint and grievance reporting:
 - i. The Network SNF must immediately report the following items to the OhioHealth SNF Network Program Coordinator: (i) any OhioHealth SNF Network Patient complaint or grievance; (ii) any final notice of a CMS Immediate Jeopardy citation; and (iii) any termination of any license, certification, registration or permit necessary to participate in the OhioHealth SNF Network, c: participation in Medicare.
 - ii. For Network SNF Patient complaints, the Network SNF must promptly investigate the complaint and do its best to resolve them informally in a fair and equitable manner.

b) I have estimated that the reporting and follow up will take at least $\frac{1}{2}$ hour of Administrator time for each complaint. The cost of each complaint is therefore, using the Administrator average all-in hourly rate of \$48 per hour, 24 times the number of estimated complaints. For purposes of this affidavit the assumed number of complaints is 2 per month. Therefore the estimated cost is \$576 for each Network SNF.

22. Patient Admission.

a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding patient admission:

- i. All patients who meet Medicare fee-for-service requirements for skilled care are accepted by Network SNF as selected by the patient.
- ii. Prioritize OhioHealth patients for admission into the Network SNF and work to flex beds to meet the needs of the OhioHealth SNF Network.

b) It is difficult to estimate the cost without a specific patient example where his or her cost of care exceeds his or her RUG rate. Depending on the number of such examples, the cost escalates. It is likely, however, that the cost of compliance with this provision could exceed \$300 per patient day. Assuming an ALOS of 21 days and 10 of these type patients, the annual cost is assumed to be \$63,000 for the Interviewed SNF. It is reasonable to estimate that the cost to any the other Network SNFs would be similar.

23. Hospital Readmission Rate.

a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding the hospital readmission rate:

- i. Achieve and maintain a 30-day all cause hospital readmission rate at or below 19 percent for OhioHealth Medicare fee-for-service patients, as measured by OhioHealth data. Readmissions are measured as any OhioHealth Medicare fee-for-service patient readmitted for all cause, all diagnoses from SNF to OhioHealth hospital within 30-days post discharge from an OhioHealth acute hospital.
- ii. Monitor all payers for readmissions.
- iii. Monitor OhioHealth patient Emergency Department visits within 72 hours of admission into the Network SNF.

b) Hospital readmissions, although common, are now a critical metric for penalties for hospitals and SNFs are difficult to estimate the cost of maintaining a specific

ratio or rate. There is however a cost to comply with this provision. These are metrics that a SNF is currently not required to track and monitor. It is reasonable to assume that there is a cost to perform this administrative task.

24. Average Length of Stay.

- a) The expectation section of the Handbook states that Network SNFs are expected to do the following regarding the average length of stay:
 - i. Achieve and maintain an average length of stay (ALOS) for all skilled rehab patients discharged from an OhioHealth acute hospital that is less than or equal to 21 days. Achieve and maintain an ALOS equal to or less than 14 days for post-surgical joint replacement patients (MS-DRG 469 and 470).
 - b) The estimated cost of maintaining these ALOS is difficult to impossible to estimate however there is certainly a cost to comply with this provision.

25. Staff Expectations.

- a) The expectation section of the Handbook states that Network SNFs are expected to do the following regarding staff expectations:
 - i. The admission's coordinator or liaison responsible for evaluating OhioHealth hospital patients must have the clinical competency and resources available to review complex medical patients for admission to the SNF and notify the hospital of the SNF's ability to medically admit the patient within the required two hour time frame.
 - ii. A physician or advanced practitioner must evaluate OhioHealth patients within 48 hours of SNF admission.
 - iii. Conduct a Care Conference involving the patient, family and appropriate Network SNF staff to discuss a preliminary plan of care as well as the discharge plan and target discharge date within 72 hours of admission to the Network SNF.
 - iv. Patients are provided with hospice services when appropriate.
 - v. OhioHealth patients are scheduled to be seen by a primary care provider within seven calendar days of SNF discharge.
- b) The two hour timeframe requires that a qualified admissions staff member be present 24 hours a day 7 days a week. The Interviewed SNF currently employs 1 FTE admissions person, which is typical. The needed hours are 24 hours multiplied by 7 days multiplied by 52 weeks equals 8,736 hours. Assuming an average all-in hourly rate of \$13.50, the annual cost to comply with this

requirement is \$117,936. Most SNF's admissions staff similar to the Interviewed SNF. Accordingly, the cost to comply for other Network SNFs will be similar.

- c) The cost of a physician evaluating an OhioHealth patient within 48 hours of admission is estimated to be the cost of contracting with a physician who is willing to meet this requirement and is estimated at least \$36,000 annually.
- d) The cost of conducting a Care Conference with the appropriate staff (Social Worker, Therapist and a RN with average hourly all-in rates of \$17.55, \$40.00 and \$28.00, respectively) totaling \$85.55 per hour with each Care Conference lasting at least 30 minutes, the estimated cost is \$42.77 per conference times the number of estimated conference (assuming 40 admissions) totaling \$1,710 per year. This assumes the therapy representative is available within the 72 hour time frame.
- e) The cost of hospice services to be provided is dependent upon the cost of the contractual arrangement for such hospice services and will vary among hospice providers.
- f) The cost of an OhioHealth patient scheduled to be seen by a Primary Care Physician (PCP) within seven days of SNF discharge is estimated to be at least \$100 per visit.

26. Seven Day Therapies.

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding seven day therapies:
 - i. Provide necessary seven day per week therapies to skilled rehab patients, including twice a day therapies seven days per week when necessary.
- b) Based on the Interviewed SNF, it would be necessary to add 1 to 2 days per week to the therapy contract. Therefore, 16 hours at \$40 /hour multiplied by 52 weeks per year equals \$33,280 of incremental cost. Total cost is estimated to be 56 hours per week at \$40 per hour times 52 weeks per year equals \$116,480 per year for the Interviewed SNF. The Interviewed SNF provides therapy services accordingly to Medicare minimum requirements. Depending on staffing levels, it will cost a Network SNF between \$0 and \$116,480 to comply with this expectation.

27. Discharge to Community.

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding discharge to community:

- i. Discharge at least 60 percent of OhioHealth Medicare fee-for-service patients (not formerly long-term care residents) to the community.
- b) It is impossible to estimate the cost to comply with this requirement although there is without question a cost.

28. Compliance with Federal and State Regulations.

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding compliance with federal and state regulations:

 - i. Total number of survey deficiencies is less than the average in the state of Ohio and no civil money penalties in the past three years.
 - b) In 2011 average number of deficiencies was 6.8. There are no studies that I am aware of that estimate the cost of attaining a deficiency-free survey. Accordingly it is difficult to estimate the cost of maintaining less than the statewide average number of deficiencies. There however is a cost.

29. Electronic Medical Records ("EMR").

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding EMR:

 - i. Full implementation of an EMR within the facility
 - b) The Interviewed SNF does not have an EMR system. Currently, SNFs are not required to have EMR systems nor can they participate in any incentive programs to implement EMR systems. The cost according to www.LeadingAge.org is \$30,000-\$50,000 for the purchase and installation of an EMR system plus annual maintenance costs of \$25,000-\$40,000. Because less than 5% of SNFs have EMR systems, it is assumed that most (if not all) the Network SNFs will have to install an EMR system to satisfy this expectation.

30. Medicaid Pending and Charity Patients.

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding Medicaid pending and charity patients:

 - i. Willingness to accept a reasonable amount of Medicaid pending and charity patients and will work with OhioHealth to mutually develop a policy which meets the needs of Ohio Health patients and the SNF.
 - b) The Interviewed SNF currently has a Medicaid rate of \$193 per day. Since the Ohio Medicaid system is not based on cost it is reasonable to assume this

facility's cost is greater than its rate. Accordingly the cost and/or lost revenue for each charity and/or pending Medicaid patient is \$193 per day or an annual cost/lost revenue per resident of \$70,445. It is assuming that based on this expectation, a Network SNF would accept between 1 and 4 of these type patients per year, which results in an annual cost/lost revenue of between \$70,445 and \$281,780. Generally speaking, a SNF does not accept a patient knowingly that they have no ability to pay or knowing that they will not qualify for Medicaid.

31. OhioHealth Episode of Care Pathways.

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding OhioHealth Episode of Care Pathways:
 - i. Implement OhioHealth developed care pathways for targeted clinical conditions.
 - b) I have not been able to determine the requirements of this program as is not contained in the documents I have reviewed. Accordingly, I cannot estimate the cost to comply with this expectation.

32. Patient Satisfaction.

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding patient satisfaction:

Achieve a greater than 90% average of OhioHealth patients who 'probably' or 'definitely' would recommend the SNF to others

- b) I have not been able to determine the cost of complying with this expectation although there is a cost.

33. Respiratory therapy.

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding Respiratory therapy:

- i. Access to a respiratory therapist, all shifts, for patients requiring this level of expertise for best patient outcomes

- b) Respiratory therapists are typically employed by hospitals. Although not stated, the expectation seems to suggest the therapist should come from OhioHealth. The median salary in Columbus, Ohio for a therapist is \$60,600 according to www.salary.com as of February 2015. SNF's do not typically employ respiratory therapists unless they operate specialty programs. The hourly rate plus assumed all-in add on is \$34/hour. Accordingly the cost is \$34/hour on an

as needed basis. The estimated cost is based on hours used for the therapist. No estimated hours are available from the Interviewed SNF. The cost to another SNF would be the same.

34. Use of INTERACT 3.0 Tools.

- a) The expectations section of the Handbook states that Network SNFs are expected to do the following regarding Respiratory therapy:
 - i. Actively utilize (fully implemented and used effectively by all nursing staff) Interventions to Reduce Acute Care Transfers (INTERACT) 3.0 tools, including the advance care planning tools. INTERACT is a quality improvement program that focuses on the management of acute change in a SNF patient's condition. It includes clinical and educational tools and strategies for use in every day practice in SNFs.
 - ii. Stop & Watch and SBAR expected to be used currently on all skilled units. SNF will provide completed tools to OhioHealth, when requested, for clinical review and feedback.
- c) There is a cost of acquiring the software from its sponsor as well as a cost to implement and train all staff in its use and reporting. Cost estimates can be obtained from the sponsor only after supplying demographic information for the purchaser. Training and implementation would be cost incurred by RNs at their average hourly all-in rate of \$28.00/hour. It is reasonable to estimate the number of hours to implement INTERACT to be 40. Therefore the cost is estimated to be \$1,120.

35. Implement Specialty Programs.

- a) To implement specialty programs which directly link to OhioHealth service lines, a SNF must take measures beyond its current procedures and are totally dependent upon the type and nature of the specialty program implemented (knee/hip replacement, heart related, dementia and/or bariatric as examples)
- b) The cost to implement such programs will be dependent on the program(s) implemented and will vary.

36. Cost of Not Being Selected to Participate in the OhioHealth SNF Network.

- a) Even though OhioHealth cannot guarantee that any OhioHealth patient will choose to use a Network SNF, it is reasonable to assume that OhioHealth's referrals will result in such. This will undoubtedly disadvantage SNFs not selected to participate in the OhioHealth SNF Network and result in fewer admissions from OhioHealth hospitals. SNFs not selected for participation in the OhioHealth SNF Network will suffer lost revenue and margin.

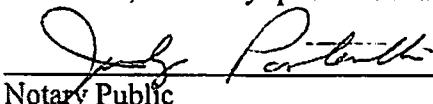
b) According to data from the Centers for Medicaid & Medicare Services (CMS), the average RUG rate for an Ohio SNF in 2013 was \$446.24. The average margin as calculated from 2013 Medicare Cost Reports was approximately \$95.00/day. The average number of Medicare patient days for the 53 Franklin County, Ohio SNFs in 2013 was 3,927 days. Therefore, the average lost revenue for a Franklin County, Ohio SNF in 2013, assuming a 100% reduction in Medicare patient days, was \$1,752,384 and the average lost margin was approximately \$373,065.

FURTHER AFFIANT SAYETH NAUGHT.



Bert P. Cummins

I hereby certify that the forgoing Affidavit was subscribed and sworn to me in person by Bert P. Cummins, on behalf of herself, before me, a notary public on this 13th day of MARCH, 2015.



Notary Public

My Commission Expires May 27, 2021